

EAST HERTS COUNCIL

LOCAL JOINT PANEL- 16 SEPTEMBER 2009

REPORT BY HEAD OF PEOPLE AND ORGANISATIONAL SERVICES

6(B) REVISED AND NEW HR POLICIES : REDUNDANCY AND RETIREMENT POLICY

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WARD(S) AFFECTED: NONE

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**Purpose/Summary of Report**

- To approve the updated Redundancy Policy (previously Achieving Organisational Change Policy) and the Retirement Policy.

<b><u>RECOMMENDATION FOR HUMAN RESOURCES COMMITTEE:</u></b>	
<b>(A)</b>	that the revised Redundancy Policy (previously Achieving Organisational Change Policy) and Retirement Policy are approved.
<b>(B)</b>	the Council's Policy on pension regulations under Regulation 13 as shown in the Retirement Policy (Essential Reference Paper B) be endorsed.

1.0 Background

1.1 During 2006, (Local Government Pension Scheme Regulations 1997 as amended) arising from implications of the Age Discrimination Act, significant changes to the Pension and Early Retirement Regulations have occurred which have necessitated a complete review of the provisions and discretions that can be exercised in connection with Early Retirement and redundancy compensation. HR Committee in December 2006 agreed employer's discretions as detailed in the Retirement Policy (Essential Reference Paper B, pages 6.13 - 6.30)

- 1.2 Authorities must formulate and publish (and keep under review) a written policy statement on how they will use the discretionary powers under the 2006 Regulations.
- 1.3 The Retirement Policy details the Council policy and the discretions already in existence.
- 1.4 The Council has the power to award additional pension under Regulation 13. A decision on the Council's policy on this discretion has not previously been made. A recommendation is made in this report to Human Resources Committee on 15 October 2009 to address this.
- 1.5 A Redundancy Policy has been developed adapting the current Achieving Organisational Change Policy. It includes the calculation for redundancy payment.
- 2.0 Report
- 2.1 The Redundancy Policy (Essential Reference Paper C, pages 6.31 - 6.47) has been revised to include the Council's redundancy payment calculation and the name has been changed from Achieving Organisational Change Policy to reflect the fact that the policy is the process for redundancy.
- 2.2 As part of the revision of the policy, Response to Redundancy (R2R), a project supported by the European Social Fund and the East of England Development Agency, were contacted. R2R offers a service to organisations within the East of England which have jobs at risk of redundancy. It aims at supporting those staff whose jobs are at risk by providing funding, to support training to help prepare them for the job market. Additionally, R2R can provide outplacement training workshops, which cover CV preparation, interview techniques and job search, for example. There are no costs incurred by the organisation for these services. The Council has signed up to work with R2R in the event of any redundancies.
- 2.3 A Retirement Policy (Essential Reference Paper B, pages \*) has been written to ensure that the Council fulfils its requirement to set out in a written policy statement how they will use the discretionary powers under the 2006 Pension Scheme Regulations. The new policy covers the procedure for early and flexible retirement which is not currently covered in any HR policy. The criteria for flexible retirement has been based on past practice and has been made clearer, i.e. a minimum 25% reduction in hours or a reduction in

grade and the authorisation process has been made more robust.

- 2.4 Regulation 13 gives the Council the power to award a member additional pension of not more than £5,000 a year payable from the same date as his/her pension. The regulations allow this payment to be made in addition to augmentation (added years service). Similar to augmentation, it can be used as a recruitment retention measure or to award an employee extra pension on redundancy/efficiency retirement.

It is recommended that this discretion not be exercised. Human Resources Committee have not exercised their power to award additional year's service (Retirement Policy, Essential Reference Paper B (Pages 6.13 - 6.30)).

### 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within Essential Reference Paper A (Page 6.12).

### Background Papers

None

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ESSENTIAL REFERENCE PAPER A

AGENDA ITEM 6(B)

Contribution to the Council's Corporate Priorities/Objectives <i>(delete as appropriate):</i>	<b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	Consultation has taken place with Unison and Heads of Service and the policies have been approved by CMT.
Legal:	The implementation of the regulations is a legal requirement. However, within the regulations the Council does have power to exercise certain discretions as detailed in this report and the Retirement Policy. Under Regulation 106 of the Local Government Pension Scheme (LGPS) Regulations 1997 (as amended), each employer must formulate, keep under review and publish their policies on certain discretions contained within the LGPS Regulations.
Financial:	As detailed in the report.
Human Resource:	As detailed in the report.
Risk Management:	None.